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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/714,574	11/16/2000	John M. Packes JR.	00-068	5486
22927 7590 01/25/2007 WALKER DIGITAL 2 HIGH RIDGE PARK STAMFORD, CT 06905			EXAMINER DURAN, ARTHUR D	
			ART UNIT	PAPER NUMBER
			3622	
SHORTENED STATUTORY PERIOD OF RESPONSE		MAIL DATE	DELIVERY MODE	
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Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

09/714,574

Applicant(s)

PACKES ET AL.

Examiner

Arthur Duran

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 8/25/06.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3 and 9-60 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3 and 9-60 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-3, 9-60 have been examined.

Response to Amendment

2. The Amendment filed on 8/25/06 is insufficient to overcome the prior rejection.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-3, 9-47, 50-60 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sakata (6,115,649) in view of Smith (WO 99/09499) in view of Deaton (5,687,322) in view of Huang (5,953,055).

Claim 1-3, 9, 11-15, 17, 18, 23, 25-29, 30, 54: A method, system of operating a vending machine, comprising:

Sakata discloses receiving a request for a transaction from a customer at the vending machine or detecting a customer in proximity to the vending machine (col 2, line 60-col 3, line 32; col 1, line 65-col 2, line 10; col 10, lines 4-11);

outputting an offer to the customer in response to the received request (col 10, lines 10-22; col 10, lines 4-11).

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Sakata further discloses that the distributor can do market research on products to better entice customers to make purchases and that coupons can be presented to users at the vending machine (col 10, lines 10-22).

Sakata further discloses determining whether the requested transaction can be performed by the vending machine (col 1, lines 54-64); and

if it is determined that the requested transaction cannot be performed by the vending machine (col 1, line 54-64), outputting an offer to the customer in response to the received request (col 10, lines 10-22; col 10, lines 4-11).

Sakata further discloses the utilization of a trigger signal (Fig. 3a; Fig. 11; Fig. 12).

Also, note that Sakata's Manufacturer/Distributor is functionally equivalent to a Retailer and that the Host Computer can obviously be located at the Manufacturer/Distributor (Fig. 12).

Additionally, Sakata further discloses a vending machine connected to a Host Computer and a Manufacturer/Distributor/(Retailer) (Fig. 12).

Sakata does not explicitly disclose that the coupon offered to the user can be based on a condition at a retail establishment.

However, Smith further discloses vending machines and retailers, coordinating the different service points including vending machines and retailers, presenting coupons to the users based on the conditions at the service points (Abstract; Fig. 1, 2, 4, 6, 7; page 3, line 17-page 4, line 15; page 7, lines 17-25). Smith further discloses offering coupons (page 10, line 25- page 11, line 30).

Also, note that in Sakata's Fig. 12 the vending machine can be located at a variety of locations.

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Smith also discloses that the vending machine can be located at variety of locations (page 17, lines 5-10).

Also, Smith's disclosure (Fig. 4; Fig. 5; Fig. 10) renders it obvious that there can be numerous retailers considered as related to the vending machine(s) (Fig. 4; Fig. 5; Fig. 10).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Smith's product related coupon dispensed at a vending machine based on conditions at the vending machine and/or store or input from a central control center connected to a store and/or a vending machine and Deaton's targeted or situation specific coupons to Sakata's surveying a user about products available at a store and presenting a user with a coupon at a vending machine that is connected to a central computer and product distributor. One would have been motivated to do this in order to better entice the user to purchase the products available at the store and/or the vending machine.

Also, Huang discloses tracking queues (Abstract, Fig 4a), that customer time in a queue can be minimized to keep customers satisfied and to make better economic sense (col 1, lines 20-40; col 2, lines 15-20) and automatic queue monitoring (col 14, lines 1-9).

Deaton discloses minimizing the time for a user to be able to make a purchase:

"(12) grocery and other retail stores have a broader problem in accumulating customer information because of the emphasis on minimizing the amount of time required for a sales transaction, and the attendant impersonality of the customer relationship" (col 3, lines 9-15).

Deaton further discloses that regular customers are desirable:

"Thus, it is extremely difficult to develop any meaningful customer profiles, or to identify customer groups such as regular customers and new customers who might become

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regular customers. If a store could accumulate more detailed customer information, customer profiles could be developed and used for targeted advertising, marketing and promotional programs” (col 3, lines 15-20).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Huang’s retail store queue monitoring for better economic sense to Sakata, Deaton, and Smith’s providing incentives to better entice customers based on retail and/or vending conditions. One would have been motivated to do this in order to keep customer frustration with long waits low so that customer satisfaction is high and customers become or remain regular customers.

Also, Sakata discloses monitoring when a product is out of stock (col 1 lines 54-64) and also presenting coupons to the user as a reward or as an incentive (col 7, lines 40-45; col 10, lines 4-25).

Deaton further discloses a detection means that are located at a retail establishment for detecting whether a predetermined condition exists at the retail establishment; offer means for selectively outputting a coupon, the offer means selective upon the detection of the predetermined condition (103, 5-25).

Deaton further discloses presenting coupons to the user via a terminal and that an incentive can be a coupon (col 7, lines 30-35). Deaton further discloses that coupons can be presented to a user based on conditions at a retail store (col 103, lines 5-25).

Deaton further discloses that the outputted offer includes a coupon to be redeemed at the retail establishment (col 103, lines 5-25); that the outputted offer includes a redemption code (col 102, lines 35-50); that the condition is a frequency of sales transactions at the retail establishment

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(col 103, lines 5-25); that the condition relates to a state of inventory at the retail establishment (col 103, lines 5-25). Deaton further discloses that the condition relates to whether a particular product is in stock at the retail establishment (col 103, lines 5-25). Note that the a product being in stock is an obvious variation of the state of inventory of a product.

Deaton further discloses the step of selecting the offer from among a plurality of offers (col 68, line 49-col 69, line 45); that the selecting step includes generating a selection signal at the retail establishment (col 69, line 15-45).

Claim 5: Sakata, Smith, and Deaton and Huang disclose the method of claim 1. Sakata does not explicitly disclose that the condition is a state of a service queue at the retail establishment.

However, Deaton further discloses minimizing the time in a queue and that customers do not like to be in long queues (col 3, lines 9-15).

Deaton further discloses that customers can be deemed valuable and presented with coupons in different manners dependent upon how valuable that customer is deemed to be (col 68, line 49-col 70, lines 15).

Deaton further discloses that the coupon can be given based on a variety of conditions (col 103, lines 20-25).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Deaton's keeping a customer satisfied, avoiding long lines, and presenting a customer with a coupon to Sakata' enticing a customer to make a purchase at a vending machine and making an offer to the customer. One would have been motivated to do this in order to make offers to the customer that will keep the customer more satisfied.

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Claim 10: Sakata, Smith, and Deaton and Huang disclose the method of claim 1.

Sakata further discloses the step of storing at the vending machine data representative of the offer (col 10, lines 22-25).

Claim 16: The method of claim 13 is disclosed above. Sakata further discloses determining whether the vending machine is out of stock of an item requested in the request for a transaction (col 1, line 54-64).

Claim 19: Sakata, Smith, and Deaton and Huang disclose the method of claim 17. Deaton further discloses that the presenting of a coupon to a user deemed valuable can be decided upon and performed by a human operator (col 69, lines 1-15).

Sakata further discloses automatic operations replaces manual operations (col 1, lines 37-42; col 1, lines 45-50).

Sakata further discloses adapting to special situations (col 1, lines 53-65).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that any of Sakata's automatic processes can also be initiated manually. One would have been motivated to do this in order to provide better control of the process for any special situations.

Claim 20: Sakata, Smith, and Deaton and Huang disclose the method of claim 17. Sakata further discloses that the trigger signal is generated and transmitted automatically (col 10, lines 10-26; Fig. 12; Fig. 11; Fig. 3a.).

Claim 21: Sakata, Smith, and Deaton and Huang disclose the method of claim 17. Sakata further discloses that the trigger signal is transmitted directly from the retail establishment to the vending machine (Fig. 12). Note that in the independent claim it was established that it

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was obvious that the host computer could also be located at the manufacturer/distributor/retailer location.

Claim 22, 24: Sakata, Smith, and Deaton and Huang disclose the method, system of claim 17, 23. Sakata further discloses that the trigger signal is transmitted from the retail establishment to the vending machine by way of a controller located remotely from the retail establishment (Fig. 11; Fig. 12).

Claims 31-47, 50-53, 55-60:

Please see the rejections above.

Smith further discloses that a non-paper/electronic coupon can be provided in a variety of means (col 10, lines 35-col 11, line 5).

Smith discloses sensors related to product amounts (Fig. 1, 'sensor means'; Fig. 6).

Huang discloses sensors and/or cameras to track the queue (Abstract).

Also, in regards to the providing of coupons/discounts relative to the amount of change available, store hours, Deaton discloses providing coupons relative to time (col 73, line 60-col 74, line 17).

Sakata further discloses compensating/rewarding a user for inconvenience (col 10, lines 10-25)

Also, Examiner takes Official Notice that prior to 11/16/2000 it was old and well known to provide incentives or coupons to compensate a user for inconvenience for a variety of reasons. For example, if a restaurant was slow on deliver a meal, or provided the wrong food, or had a long wait, that restaurant will often provide compensation in the form of a discount to a user.

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Hence, it is obvious to any artisan in 11/16/2000 that compensation can be provided for a variety of inconveniences.

4. Claims 48, 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sakata (6,115,649) in view of Smith (WO 99/09499) in view of Deaton (5,687,322) in view of Huang (5,953,055) in view of Fox (20020133385).

Sakata does not explicitly disclose providing coupons in regards to weather and/or traffic. However, Fox discloses disclose providing promotions in regards to external conditions such as weather (abstract [42]).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that the prior art's coupons can be provided based on a variety of conditions inside and outside of the store. One would have been motivated to do this in order to provide promotions that are more relevant.

Response to Arguments

5. Applicant's arguments with respect to the claims have been considered but are not found persuasive.

On page 11 and 14 of the Applicant's Remarks dated 8/25/06, Applicant states:

"Nowhere, for example, does the Examiner argue that the generally recited limitation of outputting a vending machine coupon to a customer based on an identified state of a service queue at a retail establishment is taught or suggested."

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However, Examiner notes that while specific references were made to the prior art, it is actually also the prior art in its entirety and the combination of the prior art in its entirety that is being referred to. Also, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

It must be presumed that the artisan knows something about the art apart from what the references disclose. *In re Jacobv*, 309 F.2d 513, 135 USPQ 317 (CCPA 1962). The problem cannot be approached on the basis that artisans would only know what they read in references; such artisans must be presumed to know something about the art apart from what the references disclose. *In re Jacoby*. Also, the conclusion of obviousness may be made from common knowledge and common sense of a person of ordinary skill in the art without any specific hint of suggestion a particular reference. *In re Bozek*, 416 F.2d 1385, USPQ 545 (CCPA 1969). And, every reference relies to some extent on knowledge or persons skilled in the art to complement that which is disclosed therein. *In re Bode*, 550 F.2d 656, USPQ 12 (CCPA 1977).

Also, Examiner notes that the person of ordinary skill in the art is a hypothetical person who is presumed to know the relevant prior art. *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955,962, 1 USPQ2d 1196, 1201 (Fed. Cir. 1986).

In determining this skill level, the court may consider various factors including "type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field." *Id.*, cited in *In re GPAC*, 57 F.3d 1573, 1579, 35 USPQ2d 1116, 1121 (Fed. Cir.

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1995). In a given case, every factor may not be present, and one or more factors may predominate. *Id.* at 962-63, 1 USPQ2d at 1201.

Also, Examiner notes the requirement of a showing of a "teaching, suggestion, or motivation" to modify or combine the prior art teachings. This requirement was recently described in *In re Kahn*, 441 F.2d 977, 78 USPQ2d 1329 (Fed. Cir. 2006):

[T]he "motivation-suggestion-teaching" test asks not merely what the references disclose, but whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims. From this it may be determined whether the overall disclosures, teachings, and suggestions of the prior art, and the level of skill in the art- i.e., the understandings and knowledge of persons having ordinary skill in the art at the time of the invention- support the legal conclusion of obviousness. (internal citations omitted). *Id.* at 988, 78 USPQ2d at 1337.

"In considering motivation in the obviousness analysis, the problem examined is not the specific problem solved by the invention but the general problem that confronted the inventor before the invention was made." *Kahn*, 441 F.3d at 988, 78 USPQ2d at 1336 (citations omitted).

To establish a *prima facie* case of obviousness, the references being combined do not need to explicitly suggest combining their teachings. See e.g., *In re Johnston*, 435 F.3d 1381, 1385, 77 USPQ2d 1788, 1790-91 (Fed. Cir. 2006) (citing *Medical Instrumentation and Diagnostics Corp. v. Elekta AB*, 344 F.3d 1205, 1221-22 (Fed. Cir. 2003)) ("[t]he suggestion or motivation to combine references does not have to be stated expressly; rather it may be shown by reference to the prior art itself, to the nature of the problem solved by the claimed invention,

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or to the knowledge of one of ordinary skill in the art."); and Kahn, 441 F.3d at 987-88, 78 USPQ2d at 1337-38 ("the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references").

In fact, an explicit teaching that identifies and selects elements from different sources and states that they should be combined in the same way as in the invention at issue, is rarely found in the prior art. Johnston, 435 F.3d at 1385, 77 USPQ2d at 1790-91. As such, the prior art may explicitly or implicitly suggested the claimed combination. "The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." Kahn, 441 F.3d at 987-88, 78 USPQ2d at 1336 (quoting *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000)).

And, it is the combination of the prior art that renders obvious the features of the Applicant's claims.

And, Sakata discloses a vending machine connected to a manufacturer/retailer (Fig. 11; Fig. 12; above rejection). Sakata discloses offering coupons/discount coupons (col 7, lines 40-45; col 10, lines 22-25). Smith discloses tracking the inventory levels at the vending machine and/or at the store (see above). Deaton discloses providing incentives (see above). Deaton discloses providing incentives relative to stock levels (see above). Deaton discloses reducing queue wait time (see above). And, Huang discloses monitoring the queue wait times.

Smith further discloses correlating inventory levels and pricing (Fig. 7; p 15, lines 14-25).

On page 13, Applicant states:

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“While a consumer in Sakata is described as noticing that an item is out of stock, for example, nowhere in the cited portion of Sakata does Sakata contemplate the vending machine itself making such a determination. Applicants respectfully note that, at least with respect to claims 13-16, as amended, the pending claims recite the vending machine itself determining that the transaction cannot be performed. Accordingly, as properly interpreted and applied, Sakata fails to teach or suggest such a limitation.”

Also, Smith discloses determining if an item is in or out of stock (page 6, lines 5-21;p 13, lines 14-34; and throughout Smith reference).

On page 13, Applicant states:

“Not only does the information described as being output at Col. 10 of Sakata not constitute an "offer", there is absolutely no indication in Sakata that such information is outputted based on the fact that a transaction is determined to be un-performable by the vending machine. Indeed, Col. 10 describes what happens when a customer selects a product that is available - the opposite of the claimed situation.”

Sakata discloses offering coupons/discount coupons (col 7, lines 40-45; col 10, lines 22-25).

Also, Smith discloses the vending machine offering a coupon/offer (Figures 1, 2, ‘Reward Issuing Means’; p 10, line 25-p 11, line 30).

Beginning on page 13, Applicant states:

“nowhere in the cited portions of Sakata does Sakata contemplate a trigger signal being sent from a retail establishment to a vending machine.”

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Sakata discloses a trigger signal being sent from a retail establishment to a vending machine (Fig. 12; col 10, lines 40-51).

Smith further discloses a trigger signal being sent from a retail establishment to a vending machine (Fig. 4).

Conclusion

The following prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

a) Eaton (6,012,050) discloses connecting a vending machine, POS, and coupon functions:

“(35) The separation of business functionality from delivery channels can be applied in systems other than financial service systems. The invention can also be applied in the retail system, in which the customer service channels will include a Point Of Sale till, an automatic vending machine, and a loyalty card processing terminal, and the operation means will include a relationship manager to provide a base for customer services such as special offers, posting of coupons to selected addresses etc. Also, in a communications system, the customer service channels will include conventional telephone, cable television and interactive television facilities”;

b) Srinivasan (20020046096) discloses providing coupons in order to satisfy a user for waiting in a queue;

c) Smith (WO 9728510) discloses interactions between a vending machine, retailer, and couponing;

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d) Takano (JP408016658), Hoshi (JP405101236), and Kitagawa (JP02003141646)

discloses presenting a user with coupons in order to satisfy a user for waiting in a queue.

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Arthur Duran whose telephone number is (571) 272-6718. The examiner can normally be reached on Mon- Fri, 8:00-4:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



Arthur Duran
Primary Examiner
1/10/2007